

CHAPTER 299

TAXATION

HOUSE BILL 22-1005

BY REPRESENTATIVE(S) McCluskie and Will, Amabile, Bernett, Bird, Bockenfeld, Caraveo, Cutter, Duran, Esgar, Exum, Jodeh, Kennedy, Kipp, Lindsay, Lontine, McLachlan, Michaelson Jenet, Mullica, Pelton, Ricks, Roberts, Soper, Titone, Valdez A., Valdez D., Weissman;
also SENATOR(S) Rankin, Donovan, Ginal, Gonzales, Hansen, Jaquez Lewis, Lee, Moreno, Pettersen, Priola, Winter.

AN ACT**CONCERNING MODIFICATIONS TO THE EXISTING TAX CREDIT FOR RURAL AND FRONTIER HEALTH-CARE PRECEPTORS.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 39-22-538, **amend** (1), (2)(d), (2)(e), (2)(f), (2)(g), (3), and (4); **repeal** (2)(c); and **add** (2)(c.5) as follows:

39-22-538. Credit for health-care preceptors working in health professional shortage areas - legislative declaration - definitions. (1) (a) The general assembly finds, determines, and declares that:

(I) ~~It is vital to the well-being, quality of life, and economic development of the entire state that excellent health care be available in all regions of the state, including rural and frontier areas;~~

(II) ~~Rural areas of the state currently suffer from a shortage of primary health-care providers and, as a result, these communities experience reduced access to such providers and poorer health-care outcomes; and~~

(III) ~~A consistent problem is a lack of professional instruction, training, and supervision in rural and frontier areas that allows students studying primary care to obtain the requisite professional mentoring and supervision to allow them to practice in such areas upon obtaining a professional degree.~~

(IV) ~~THE COVID-19 PANDEMIC AND SUBSEQUENT ECONOMIC CRISIS HAVE CAUSED SIGNIFICANT CHALLENGES FOR COLORADO'S HEALTH-CARE SYSTEM AND~~

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

EXACERBATED THE WORKFORCE SHORTAGE ACROSS MULTIPLE DISCIPLINES AND SECTORS OF THE HEALTH-CARE INDUSTRY;

(V) WHILE THE PANDEMIC HAS HAD LASTING IMPACTS ON THE ENTIRE HEALTH-CARE SYSTEM ACROSS THE STATE, RURAL COLORADO IS EXPERIENCING THE MOST SEVERE WORKFORCE TURNOVER AND SHORTAGES, AND AS A RESULT THESE COMMUNITIES EXPERIENCE REDUCED ACCESS TO PRIMARY CARE SERVICES AND EXHIBIT POORER HEALTH OUTCOMES;

(VI) RURAL COMMUNITIES OFTEN FACE CHALLENGES IN RECRUITING AN ADEQUATE HEALTH WORKFORCE, MAKING IT DIFFICULT TO PROVIDE NEEDED PATIENT CARE OR TO MEET STAFFING REQUIREMENTS FOR THEIR FACILITIES. THEREFORE, RURAL HEALTH-CARE FACILITIES SHOULD BE PROACTIVE AND STRATEGIC ABOUT RECRUITING AND RETAINING PRIMARY CARE PERSONNEL, WHICH INCLUDES PROFESSIONALS IN PHYSICAL, DENTAL, BEHAVIORAL, AND MENTAL HEALTH.

(VII) MOST OF COLORADO'S FORTY-SEVEN RURAL AND FRONTIER COUNTIES ARE ALSO DESIGNATED AS PRIMARY CARE HEALTH PROFESSIONAL SHORTAGE AREAS BY THE COLORADO PRIMARY CARE OFFICE;

(VIII) PRECEPTORSHIP PROGRAMS ARE A CRITICAL COMPONENT OF CLINICAL TRAINING AND A PROVEN APPROACH TO DEVELOPING ONE-ON-ONE RELATIONSHIPS BETWEEN EXPERT PROFESSIONALS AND STUDENTS NEEDING TO DEVELOP THE CLINICAL SKILLS AND PRACTICAL EXPERIENCE OF WORKING WITH PATIENTS IN RURAL SETTINGS;

(IX) HEALTH PROFESSIONAL STUDENTS WHO OBTAIN A SIGNIFICANT AMOUNT OF THEIR CLINICAL TRAINING IN RURAL COMMUNITIES AND UNDER THE GUIDANCE OF RURAL HEALTH-CARE PROVIDERS ARE MUCH MORE LIKELY TO LIVE AND WORK IN A RURAL OR FRONTIER AREA AFTER COMPLETING THEIR HEALTH PROFESSIONAL TRAINING;

(X) RECENT STUDIES AND SURVEYS BY THE AMERICAN ACADEMY OF FAMILY PHYSICIANS HAVE SHOWN THAT PRIMARY CARE PHYSICIANS ARE MORE LIKELY TO ENGAGE IN PRECEPTORSHIPS WHEN PROFESSIONAL RECOGNITION AND FINANCIAL INCENTIVES ARE PROVIDED; AND

(XI) THE GENERAL ASSEMBLY THEREFORE FINDS THAT MAINTAINING A HIGHLY QUALIFIED AND SUSTAINABLE RURAL HEALTH-CARE WORKFORCE DEPENDS ON THE EXTENSION AND EXPANSION OF THE RURAL AND FRONTIER HEALTH-CARE PRECEPTOR TAX CREDIT TO PROVIDE SUFFICIENT FINANCIAL INCENTIVES TO PRECEPTORS STATEWIDE.

~~(b) The general assembly intends that the tax credit created in this section is to be used to provide sufficient financial incentives to encourage preceptors to offer professional instruction, training, and supervision to students seeking careers as primary health-care providers in rural and frontier areas of the state.~~

~~(c) The general assembly further intends that the tax credit provide sufficient financial incentives to encourage preceptors to offer professional instruction, training, and supervision to students matriculating at Colorado institutions of higher~~

~~education seeking careers as primary health-care providers in rural and frontier areas of the state.~~

(d) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT EXTENDS AN EXPIRING TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(I) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDIT ALLOWED BY THIS SECTION ARE:

(A) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS, SPECIFICALLY THE OFFERING OF PROFESSIONAL INSTRUCTION, TRAINING, AND SUPERVISION TO STUDENTS SEEKING CAREERS AS PRIMARY HEALTH-CARE PROVIDERS IN RURAL AREAS AND FRONTIER AREAS OF THE STATE; AND

(B) TO PROVIDE TAX RELIEF TO PRECEPTORS IN RURAL AND FRONTIER AREAS OF THE STATE WHO OFFER THE PROFESSIONAL INSTRUCTION, TRAINING, AND SUPERVISION DESCRIBED IN SUBSECTION (1)(d)(I)(A) OF THIS SECTION; AND

(II) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT ALLOWED BY THIS SECTION IS TO ENCOURAGE PRECEPTORS TO OFFER PROFESSIONAL INSTRUCTION, TRAINING, AND SUPERVISION TO STUDENTS MATRICULATING AT COLORADO INSTITUTIONS OF HIGHER EDUCATION WHO ARE SEEKING CAREERS AS PRIMARY HEALTH-CARE PROVIDERS IN RURAL AND FRONTIER AREAS OF THE STATE. IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE AUDITOR TO MEASURE THE EFFECTIVENESS OF THE CREDIT, THE DEPARTMENT OF REVENUE, WHEN ADMINISTERING THE CREDIT, SHALL REQUIRE EACH TAXPAYER WHO CLAIMS THE CREDIT TO SUBMIT A CERTIFICATION FORM WITH EACH INCOME TAX RETURN FORM IN ACCORDANCE WITH SUBSECTION (4) OF THIS SECTION. THE CERTIFICATION FORM MUST VERIFY THAT THE TAXPAYER HAS SATISFIED THE REQUIREMENTS FOR ALLOWANCE OF THE TAX CREDIT AS SPECIFIED IN THIS SECTION AND STATE THE NUMBER OF ELIGIBLE HEALTH PROFESSIONAL STUDENTS THAT THE TAXPAYER HAS INSTRUCTED, TRAINED, OR SUPERVISED DURING THE APPLICABLE INCOME TAX YEAR.

(2) As used in this section, unless the context otherwise requires:

~~(c) "Graduate student" means an individual matriculating at the graduate level at any accredited Colorado institution of higher education seeking a degree either in the areas of doctor of medicine, doctor of osteopathy, advanced nursing practice, doctor of dental surgery, or doctor of dental medicine, or as a physician assistant.~~

(c.5) "HEALTH PROFESSIONAL STUDENT" MEANS AN INDIVIDUAL MATRICULATING AT ANY ACCREDITED COLORADO INSTITUTION OF HIGHER EDUCATION SEEKING A DEGREE OR CERTIFICATION IN A PRIMARY HEALTH-CARE FIELD.

(d) "Preceptor" means a medical doctor, doctor of osteopathic medicine, advanced practice nurse, physician assistant, doctor of dental surgery, ~~or~~ doctor of dental medicine, REGISTERED NURSE, REGISTERED DENTAL HYGIENIST, PHARMACIST, LICENSED CLINICAL OR COUNSELING PSYCHOLOGIST, LICENSED CLINICAL SOCIAL WORKER, LICENSED PROFESSIONAL COUNSELOR, LICENSED MARRIAGE AND FAMILY

THERAPIST, PSYCHIATRIC NURSE SPECIALIST, LICENSED ADDICTION COUNSELOR, OR CERTIFIED ADDICTION COUNSELOR WORKING IN AN OUTPATIENT CLINICAL SETTING who has been licensed in his or her primary health-care field in the state by the applicable licensing authority.

(e) "Preceptorship" means an uncompensated mentoring experience in which a preceptor provides a program of personalized instruction, training, and supervision for a total of not less than four CONSECUTIVE OR NONCONSECUTIVE working weeks or twenty CONSECUTIVE OR NONCONSECUTIVE business days per calendar year that is offered to eligible ~~graduate~~ HEALTH PROFESSIONAL students to enable the students to obtain eligible professional degrees OR CERTIFICATIONS.

(f) "Primary health-care" means ~~health care provided by a health-care professional with whom a patient has initial contact, who is the principal point of continuing care for the patient, and who coordinates other specialist care that the patient may need~~ THE PROVISION OF INTEGRATED, EQUITABLE, AND ACCESSIBLE HEALTH-CARE SERVICES PROVIDED BY CLINICIANS WHO ARE ACCOUNTABLE FOR ADDRESSING A LARGE MAJORITY OF PERSONAL HEALTH-CARE NEEDS, DEVELOPING A SUSTAINED PARTNERSHIP WITH PATIENTS, AND PRACTICING IN THE CONTEXT OF FAMILY AND COMMUNITY. INTEGRATED HEALTH-CARE ENCOMPASSES THE PROVISION OF COMPREHENSIVE, COORDINATED, AND CONTINUOUS SERVICES THAT PROVIDE A SEAMLESS PROCESS OF CARE.

(g) "Rural area" means ~~a county that is located in a nonmetropolitan area in the state that either has no municipality within its territorial boundaries with fifty thousand or more permanent residents based upon the most recent population estimates published by the United States census bureau or that satisfies alternate criteria for the designation of a rural area as may be promulgated by the federal office of management and budget~~ AN AREA LISTED AS ELIGIBLE FOR RURAL HEALTH FUNDING BY THE FEDERAL OFFICE OF RURAL HEALTH POLICY.

(3) (a) For income tax years commencing on or after January 1, 2017, but prior to ~~January 1, 2023~~ JANUARY 1, 2033, and subject to the requirements of subsection (3)(b) of this section, a taxpayer is allowed a credit against the income taxes imposed by this article 22 in an amount equal to one thousand dollars for a preceptorship provided by ~~him or her~~ THE TAXPAYER during the applicable income tax year for which the credit is claimed.

(b) Notwithstanding any other provision of this section:

(I) The aggregate amount of the credit awarded to any one taxpayer under this section shall not exceed one thousand dollars for any one income tax year regardless of the number of preceptorships undertaken by the taxpayer during the applicable income tax year or the number of eligible ~~graduate~~ HEALTH PROFESSIONAL students the taxpayer instructs, trains, or supervises during the applicable income tax year;

(II) A taxpayer is eligible to claim the credit allowed by this section if ~~he or she~~ THE TAXPAYER performs a preceptorship that lasts a total of not less than four CONSECUTIVE OR NONCONSECUTIVE working weeks or twenty CONSECUTIVE OR NONCONSECUTIVE business days during the income tax year in which the credit is claimed and the preceptor is practicing in ~~his or her~~ THE PRECEPTOR'S primary

health-care field in a rural or frontier area; and

(III) Not more than ~~two~~ THREE hundred preceptors are entitled to claim the credit authorized by this section for any one income tax year. The department shall promulgate by rule, in accordance with article 4 of title 24, ~~C.R.S.~~, a method for determining the manner in which taxpayers who have obtained certification under subsection (4) of this section are able to claim the tax credit.

(4) To qualify for the credit provided by this section, the taxpayer shall submit a certification form with each income tax return. Certification may be provided by either the institution for which the taxpayer teaches, whether it is an institution of higher education or a hospital, clinic, or other medical facility, or by the particular regional office of the AHEC program with jurisdiction over the area in which the preceptor's medical practice is located. In the case of certification by an institution for which the taxpayer teaches, the institution must execute the form certifying that the taxpayer has satisfied the requirements for allowance of the tax credit as specified in this section AND IDENTIFYING THE NUMBER OF ELIGIBLE HEALTH PROFESSIONAL STUDENTS THAT THE TAXPAYER HAS INSTRUCTED, TRAINED, OR SUPERVISED DURING THE APPLICABLE INCOME TAX YEAR THROUGH ALL PRECEPTORSHIPS PROVIDED BY THE TAXPAYER. In the case of certification by the AHEC program, the certification form must be obtained from the particular regional office of the AHEC program with jurisdiction over the area in which the preceptor is practicing, which office shall certify that the taxpayer has satisfied the requirements for allowance of the tax credit as specified in this section AND IDENTIFY THE NUMBER OF ELIGIBLE HEALTH PROFESSIONAL STUDENTS THE TAXPAYER HAS INSTRUCTED, TRAINED, OR SUPERVISED DURING THE APPLICABLE INCOME TAX YEAR THROUGH ALL PRECEPTORSHIPS PROVIDED BY THE TAXPAYER. The AHEC program may charge the taxpayer a reasonable fee for providing such certification, which fee shall not exceed the actual costs incurred by the AHEC in completing the certification.

SECTION 2. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 1, 2022